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TO RUEHC/SECSTATE WASHDC IMMEDIATE 5929  
INFO RUEHKK/ARAB ISRAELI COLLECTIVE PRIORITY  
RHEHNSC/NSC WASHDC PRIORITY  
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY  
RUEHBS/USEU BRUSSELS PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 JERUSALEM 004893

SIPDIS

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NEA FOR FRONT OFFICE; NEA/IPA FOR  
WILLIAMS/SHAMPAINE/STEINGER; NSC FOR ABRAMS/DORAN/WATERS;  
TREASURY FOR NUGENT/HIRSON; BRUSSELS FOR LERNER; PLEASE  
PASS TO USAID FOR KUNDER/MCCLLOUD/BORODIN

E.O. 12958: DECL: 12/4/16  
TAGS: [EFIN](#) [ELAB](#) [PGOV](#) [KWBG](#) [QA](#)  
SUBJECT: PA HEALTH SECTOR UNION AGREES TO END STRIKE;  
REACTION TO QATARI OFFER TO PAY EDUCATION AND HEALTH SECTOR  
SALARIES

REF: JERUSALEM 4747

Classified By: Consul General Jake Walles, Reasons 1.4 (b) and (d)

¶1. (C) Summary: The PA government and the PA health sector employees union reached an agreement December 3 to end the health sector strike with payment of salary arrears. Health sector employees are scheduled to return to work December 5 but vowed to restart the strike if salary payments are not forthcoming from the PA government. Local press carried reports of the Qatari government's December 3 announcement that it would provide USD 22.5 million per month to cover PA education sector salaries and that it will consider payment of USD 7 million per month to cover health sector costs. The announcement came during the PA Prime Minister's visit to Qatar, prompting widespread criticism by supporters of PA President Abbas (Abu Mazen). End Summary.

PA Health Sector Employees  
Reach Strike-ending Agreement  
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¶2. (SBU) Acting PA Finance Minister Samir Abu Aisha announced to the press that the health sector union reached a strike-ending agreement December 3 with the Hamas-led PA government; PA health sector employees are due to return to work December 5. According to press reports, the main PA employees union, the Union of Public Employees "blessed" the agreement by the health sector employees union.

¶3. (SBU) The strike-ending agreement, as reported in the press, calls for November salaries to be paid within the next three days. (Comment: We understand that the PA government is taking several days to calculate what salaries should actually be paid and are subtracting previous allowances paid by the PA government, PA Presidency, and the Temporary International Mechanism (TIM). End comment.) According to the agreement, October salaries will be paid within a week, while December salaries will be paid before January 15, 2007. The remainder of the salary arrears will be paid over several months. (Note: While we have not yet seen the health sector's actual strike-ending agreement, the teachers' strike-ending agreement called for the payment of salary arrears in four monthly tranches, starting January 1 (reftel). End Note.)

¶4. (SBU) The government, per the press reports, also agreed to pay certain categories of health sector workers "risk allowances," for example, those that work with highly

infectious patients. The government also agreed to pay overtime and to cancel any disciplinary measures against Health Ministry employees who participated in the strike. The government agreed to reconsider payment of travel allowances for employees who had been on-strike; the cabinet had previously ruled that it would not pay travel allowance to striking PA employees. Lastly, the government agreed that Health Ministry employees should receive a 30 percent discount on PA health insurance costs.

15. (SBU) Family members of Health Ministry employees in the West Bank told Econ Specialist that the employees were happy with the agreement and pleased to be returning to work. However, they did state that if the salary payments are not forthcoming from the PA government, they would restart the strike.

Qatari payments for education  
and health sector salary costs  
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16. (C) Local press also carried the Qatari government's December 3 announcement that it will provide USD 22.5 million per month for several months to cover PA education sector salaries and is considering payments of USD 7 million per month for health sector salaries. The announcement coincided with the visit of PA Prime Minister Isma'il Haniyyah to Doha. Supporters of Abu Mazen reacted very negatively to the Qatari announcement during Prime Minister Haniyyah's visit. Hanna Nasser, head of the Central Elections Commission, was very critical to PolChief of Qatar's decision to make the announcement while Haniyyah was visiting. Palestinian Legislative Council (PLC) member Salam Fayyad made similar comments to the Consul General. Abu

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Mazen's economic advisor Mohammed Mustafa called the Consul General on December 4 and urged the U.S. government to press Doha to stop undermining the PA President in this way.

Qatar branching into Palestinian  
banking sector  
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17. (C) Separately, Palestinian Monetary Authority (PMA) Deputy Governor Jihad al-Wazir told EconChief that press reports that Qatar would set up a branch of the Qatar Islamic Bank in the West Bank and Gaza were premature. He said that the PMA is encouraging the Qataris to buy up smaller banks in the West Bank/Gaza since the sector is over-banked and the PMA is actively encouraging consolidations and mergers. He said the Qataris are slated to visit in January to discuss the issue, contrary to press reports of a visit within 10 days time.

WALLES